

HB 489 Talking points

Chairman Lang and Representatives, my name is Mark Grotbo, I am the General Manager of Ravalli County Electric Cooperative in Corvallis Montana.

I am standing up as an opponent of HB 489. HB489 is not necessary and negates local control of our elected cooperative Board and shifts the costs to those who can least afford those increased costs.

Ravalli Electric has been supportive of those wanting to net meter. Ravalli has offered net metering since 2007. Ravalli Electric service just shy of 10,000 consumers. Since 2007 to date, we have only 13 net metering accounts. With our present low rates and being served by hydro-generation, there is not a strong appetite from the vast majority of our members to install net metering. It is just more expensive.

Just to make sure there the committee understands, Ravalli Electric Cooperative is owned by the consumer - members. We are not for profit. By allowing net metering, there is a cost shift from the net metering accounts to those without net metering. At Ravalli it is a shift from the haves to the have nots. At Ravalli Electric the average monthly residential bill is \$133 per month. Only \$42 of the \$133 is for wholesale power. The other \$91 is for all of our other operation and maintenance and fixed costs. As we are nonprofit, any operation and maintenance cost avoided by the net metering accounts is shifted to those that do not have net metering. For every kilowatt hour produced by the net metering account, they are shifting 44% of the avoided costs to the other members.

The typical counter to this point from those who promote net metering are they say we don't take into account the benefits net metering provides. Ravalli is a winter peaking system. Our peak delivery usually occurs around dinner time during the cold months of the year. Its dark and solar systems are not producing any benefits to our cooperative at that point in time. 100% of our system and the generating capacity has to be there. The only thing net metering account saves Ravalli is the water running down the river.

In an effort to better understand net metering, Ravalli has tracked the production and usage of every net metering account on our system since they have been hooked up. Since 2007 every net metering account has consumed more energy over the year than they produced. They have never left a balance on the table.

In the hand out I have included three examples of the data we have collected. It shows what the cooperatives delivered to them, what the net metering account delivered to the grid and the balance at the end of the year.

The last point I would like to share. In an effort to better understand the desires toward renewables and solar projects for our members, we sent a survey out to them in mid-January. I have included in the handout the survey and some of the comments we've received. As of last Thursday, we had 645 consumers respond. One question was, should Ravalli put more focus on expanding alternative renewable such as solar and spread the associated costs across the membership. 323 strongly opposed this. 74 strongly favored. Another questions was, should Ravalli invest in alternative renewables even if it means paying more. 347 strongly opposed this while 44 were in strong support.

In conclusion I would ask the Committee to not pass HB 489 as there is not a need for the Bill as we already are doing what our consumers are asking. HB 489 by passes our local control, HB 489 will cause cost shifts. Please vote against HB 489. Thank you.